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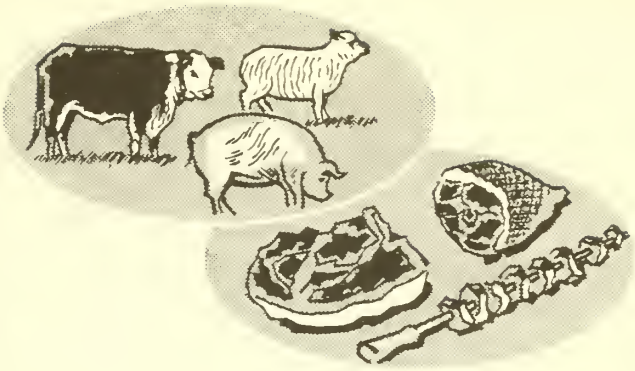
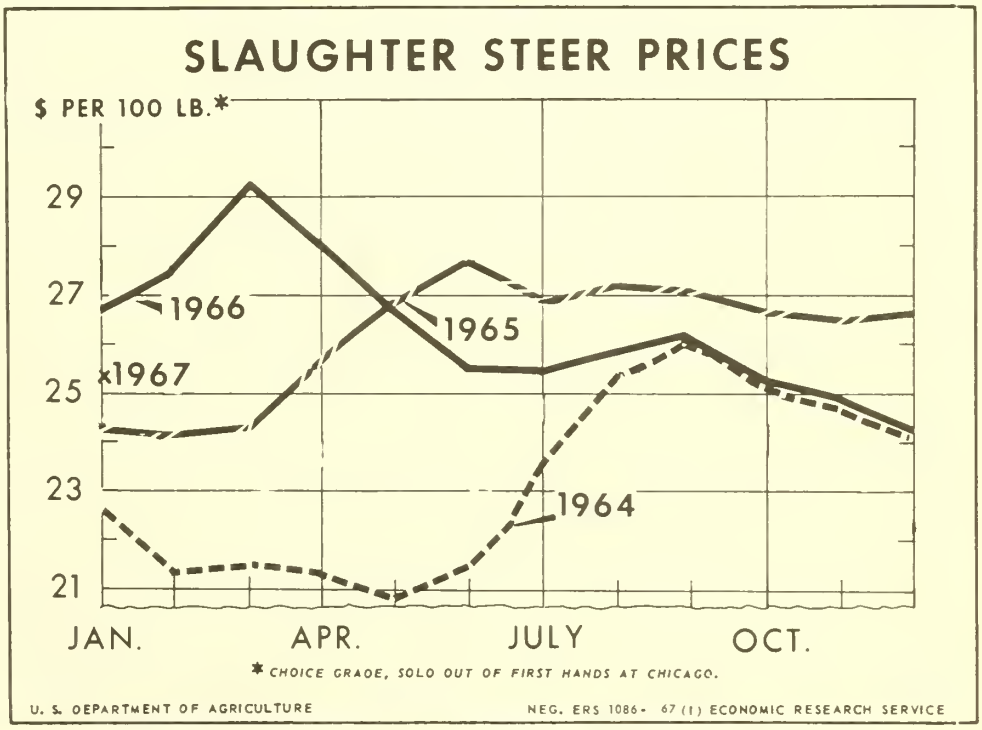


LMS-153 For Release February 8, A.M. FEBRUARY 1967

Fed cattle prices during the rest of the winter likely will average around the January average of $25.20 per 100 pounds, Choice steers at Chicago, but $2 to $3 below last winter. Fed beef supplies will be up substantially as feeders plan to market 8 percent more cattle this winter. The increase in marketings over a year earlier likely will narrow this spring. Second half supplies may average below a year earlier. Prices are expected to strengthen in the spring and to average above July-December 1966 in the second half of 1967.



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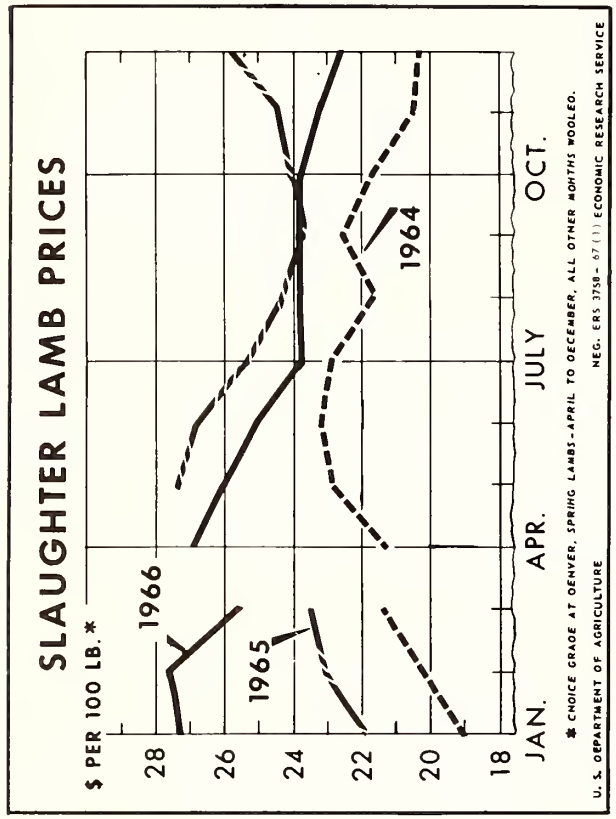

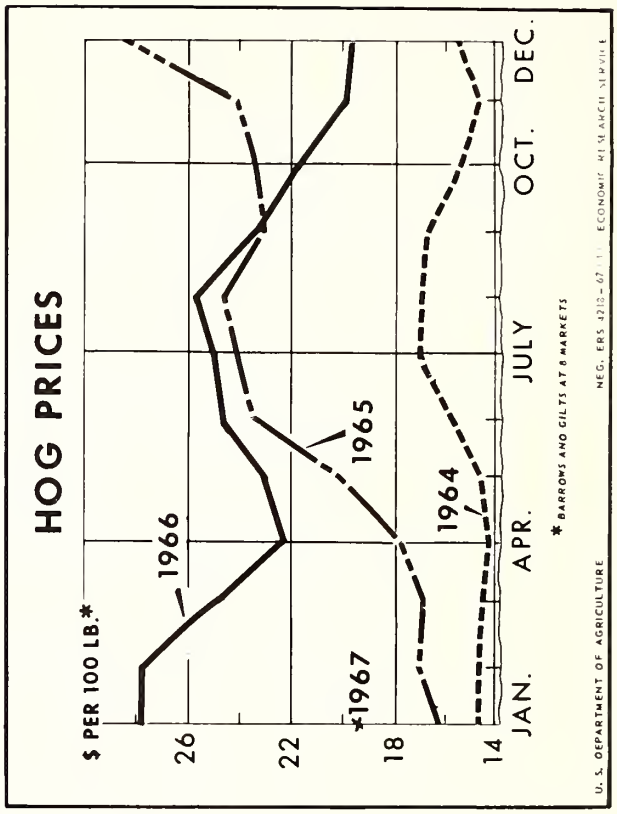

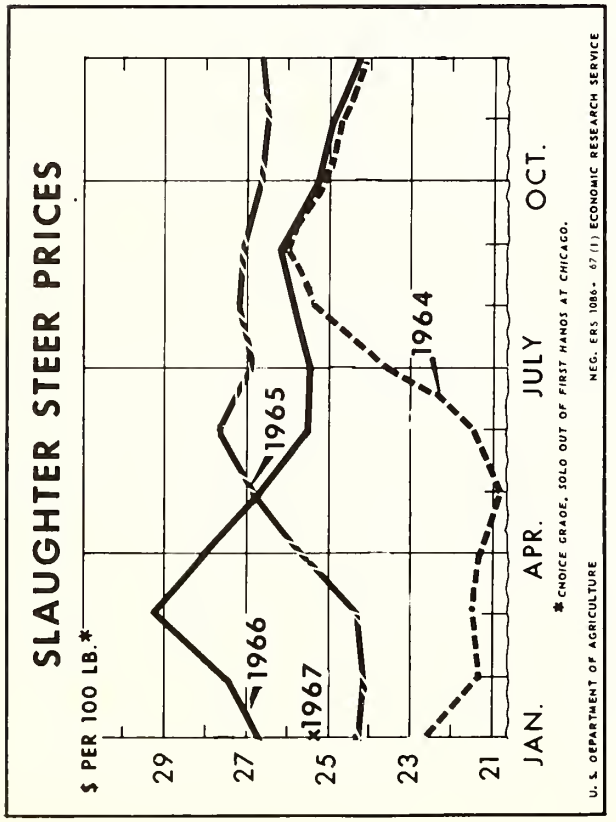

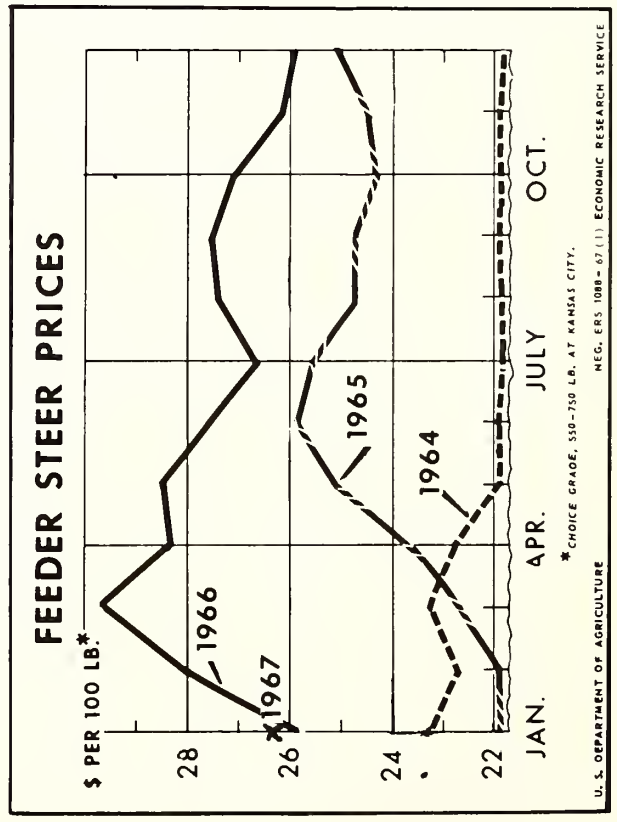

January is a 3-week average.

Livestock and Meat Situation

Approved by the Outlook and Situation Board, January 30, 1967

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SUMMARY

Meat production this winter and spring will be larger than a year earlier. Substantial increases in fed beef and pork will more than offset declines in supplies of lower grade beef, lamb, and veal.

CATTLE: Fed cattle marketings will continue well above year-earlier levels during the next several months. On January 1, there were 11.1 million head of cattle on feed--up 7 percent from a year earlier. Producers stated intentions to market 8 percent more fed cattle during January-March than a year earlier. Market supplies of fed beef likely will continue large in the spring but may be near year-earlier levels by mid-year.

Fed cattle prices strengthened slightly late in 1966 and in late January Choice steers at Chicago were averaging about $25.20 per 100 pounds. But with substantially larger supplies, prices were about $2 below a year earlier. Prices are expected to remain near this level during the rest of the winter but may strengthen moderately in the spring. However, if marketings are bunched, price weakness could develop during the next several months.

Market weights will strongly influence the price level of fed cattle in the coming months. Weights above present heavy levels would put additional downward pressure on fed cattle prices and likely extend the lower price level.

HOGS: Hog producers are continuing to expand production but reported farrowing plans for next spring point to a moderation in the expansion. The 1966 pig crop was up more than 8 percent from 1965. However for December 1966-May 1967, early indications point to a pig crop only 3 percent larger than a year earlier, with all of the increase coming in the winter months.

Larger pig crops last year led to substantial increases in slaughter supplies. Hog slaughter under Federal inspection last fall was up 16 percent from the low levels of October-December 1965. Slaughter during January continued heavy and during the first half of 1967 likely will

average around 10 percent above January-June 1966. Slaughter supplies will continue large in the summer, but if the increase in the spring pig crop is no larger than now indicated, the increase over a year earlier will narrow as the season progresses.

Barrows and gilts at 8 markets averaged around $19.50 per 100 pounds in mid-January. This was around $9 below a year earlier. In contrast to generally declining prices in the first half of 1966, prices this year are expected to follow a more usual seasonal pattern. The first quarter average may be about $1 above mid-January levels, but the summer peak likely will be only moderately below the peak of $25.75 per 100 pounds in August last year. Prices next fall will average about the same as last fall.

SHEEP AND LAMBS: There were 6 percent fewer lambs on feed at the beginning of 1967 than a year earlier. Lamb slaughter is expected to be down some this winter compared with a year ago, and likely will be down even more in the spring.

Choice lambs were around $22.25 per 100 pounds at Denver in late-December--$4 below a year earlier. Lamb prices likely will follow a more typical seasonal pattern of rising prices, in contrast to the general decline during the late winter and spring last year. However, larger supplies of fed beef and pork will continue to temper any substantial strength in lamb prices. Spring prices are expected to be near or above a year earlier.

REVIEW AND OUTLOOK

CATTLE

Fed cattle marketings in 1966 were the largest on record--20.3 million head, up 9 percent from 1965. Last year the number of cattle and calves slaughtered under Federal inspection totaled 27.3 million head--about 3 percent above 1965 and 34 percent more than the 1958-64 average, which was a period of increasing cattle numbers.

Despite record cattle slaughter and beef production in 1966, prices of all classes of cattle averaged above a year earlier, an indication of strong consumer demand for beef and reduced supplies of pork until late 1966. Fed cattle prices averaged slightly higher than in 1965 and well above the preceding 2 years. Prices of Choice steers at Chicago rose from around $26.15 in early January to a high of $29.70 in March. Although prices fluctuated during the balance of the year the trend was generally downward and by December Choice steers averaged $24.50, $2.10 below a year earlier.

Feeder cattle prices followed the same general pattern in 1966 as fed cattle prices, although the magnitude of change was somewhat larger. In early January, Choice feeder steers (550-750 pounds) were selling around $26.00 at Kansas City. By March, they rose to almost $30 per 100 pounds--the highest since 1959. During the balance of the year, feeder cattle prices moved downward from the March peak. In late December they averaged about $25.60--50 cents above a year earlier.

Cow prices in 1966 rose to the highest levels in 7 years. Utility cows at Omaha averaged $17.84, as compared with $14.44 in 1965. Prices paid for cows of this quality rose from near $16 in early January to around $20 in mid-May, then generally moved down to a seasonal low of $15.50 in mid-December. A sharp drop in cow slaughter late in December resulted in a $2 rise by the end of the year.

Cattle slaughter is expected to decline in 1967. However, steers likely will make up a larger proportion of the total, while cow and heifer slaughter will be less than in 1966. Although fed cattle marketings in the first few months of 1967 will continue large as a result of the 7 percent increase in the number of

Table 1.--Selected price per 100 pounds of cattle by months, Omaha, 1966-67

Month	Choice steers		Choice feeder steers 550-750 lb.		Utility cows	
	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	25.68	1/ 24.65	26.56	1/ 26.75	15.58	1/ 16.75
February	27.11		28.00		17.82	
March	28.12		29.45		19.39	
April	26.87		29.12		19.16	
May	25.78		28.89		19.26	
June	25.06		28.75		18.44	
July	25.25		28.50		17.32	
August	25.79		28.35		18.53	
September	25.70		28.59		18.50	
October	24.82		27.76		17.46	
November	23.96		26.80		16.21	
December	23.65		26.75		16.40	

1/ January is a 3-week average.

Table 2.--Number of cattle and calves on feed January 1, by regions, and percent change from previous year, 1964 to date

Year	North Central States			Texas and Oklahoma	Western States	Total 1/
	East North Central	West North Central	Total			
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1964	1,740	4,525	6,265	597	2,455	9,845
1965	1,685	4,640	6,325	603	2,504	9,979
Percent change from 1964	-3.2	+2.5	+1.0	+1.0	+2.0	
1966	1,767	4,920	6,687	667	2,677	10,582
Percent change from 1965	+4.9	+6.0	+5.7	+10.6	+6.9	
1967	1,777	5,365	7,142	844	2,774	11,279
Percent change from 1966	+0.6	+9.0	+6.8	+26.5	+3.6	

1/ 39 State total.

cattle on feed January 1, fed cattle supplies are expected to taper off as the year progresses. Cow slaughter will be down from year-earlier levels throughout 1967, but the greatest reductions will occur during the first half of the year.

Fed Cattle Marketings To Continue Large

Supplies of fed beef will continue substantially above year-earlier levels through the winter and into spring. There were 11.1 million head of cattle and calves on feed January 1--7 percent more than a year earlier, with all of the increase in heavier weight cattle. There were 14 percent more cattle weighing over 900 pounds and 11 percent more in the 700-900 pound weight group. However, the number on feed weighing less than 700 pounds was down 1 percent. In addition to the larger number of cattle on feed, a larger proportion was steers. The number of steers on feed rose 8 percent, compared with a 5 percent increase in heifers.

On January 1, cattle feeders stated intentions to market 5.2 million head of cattle from feedlots during January-March. This would be 8 percent more than a year earlier and 5 percent more than during October-December 1966. Most of the increase in marketings will occur in the Western Corn Belt and the Southern Plains. Feeders in Oklahoma and Texas plan to market 23 percent more than a year earlier, while those in Iowa, Kansas and Nebraska plan increases of 16, 11 and 9 percent. Feeders in the Western States plan to increase marketings only 4 percent.

Fed beef supplies this winter may increase even more than the number marketed. Average slaughter weights of fed cattle have been getting heavier, relative to a year earlier since last spring. In December, weights of all steers sold out of first hands at 15 markets averaged 1,140 pounds--23 pounds more than a year ago. In view of the number of heavy weight cattle on feed and the increased proportion of steers, slaughter weights likely will remain heavy during the next several months unless cattle feeders step up marketings over their stated intentions. In either case, fed beef production during the next several months will be up substantially.

Price Discounts For Heavy Cattle Widen

The increase in weights last year adversely affected the price of heavy cattle relative to the price of lighter weight animals. For example, 1965 prices of 1100-1300 pound Choice steers at Chicago ranged from 50 cents to $1 per 100 pounds above 900-1100 pound steers of the same grade. But, from January 1966 through late November, heavier steers averaged only around 25 cents above lighter animals. By December, as weights continued to increase, heavy steers were discounted 25 cents to 50 cents below the 900-1100 pound animals.

While cattle feeders often tend to hold for a price rise, it is usually advantageous to market cattle as soon as they reach the desired grade. Although feeders may realize slightly higher prices by holding cattle when the market is rising, it is difficult for them to increase their margin of profit through this practice. The additional finish is more costly than earlier weight gains. When extended feeding is widely practiced throughout the industry, the result is usually severe price discounts on overfinished cattle. Heavier average weights add to the total beef supply which depresses prices of all beef cattle.

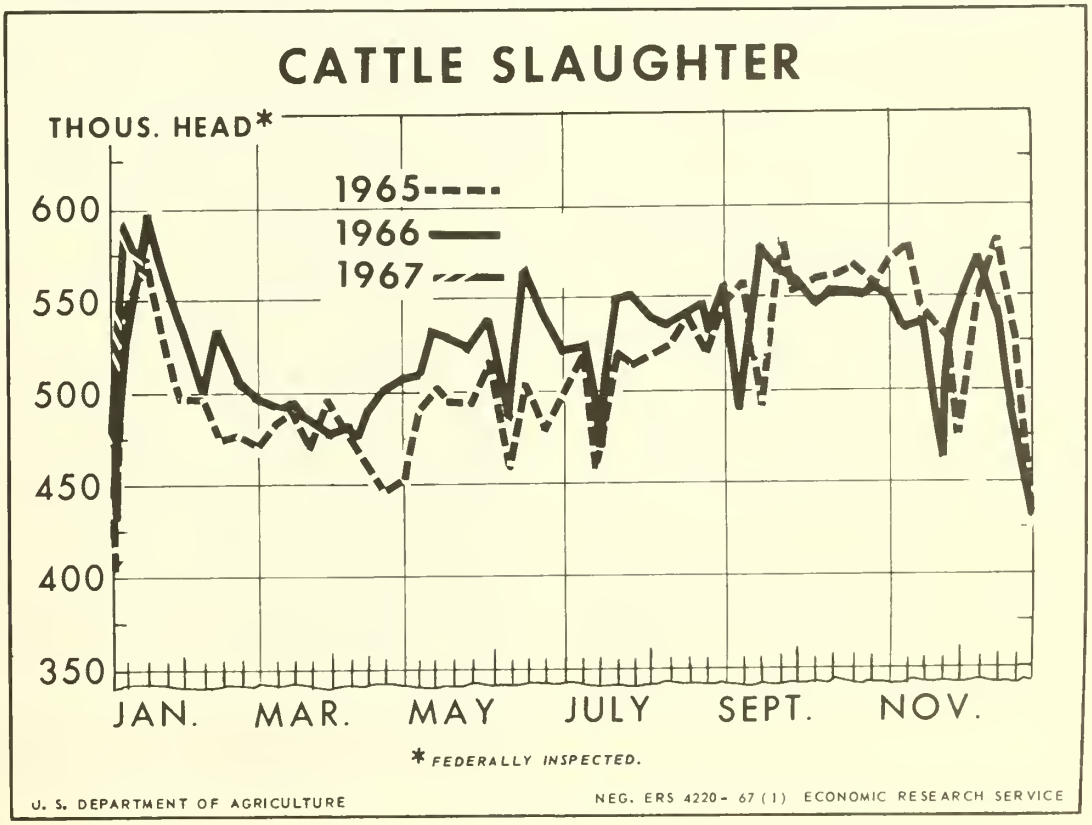
Fed cattle prices strengthened early this year, rising from around $24.50 per 100 pounds in late December to about $25.20 in late January, Choice steers, Chicago. This, however, was more than a dollar below a year earlier. If fed cattle marketings are up 8 percent during January-March, as cattle feeders planned on January 1, fed cattle prices will be under continued pressure for the next several months. Although smaller supplies of cow and other non-fed beef, as compared to a year earlier, will be a strengthening factor, substantially larger pork and poultry supplies will temper any strength in fed cattle prices.

On balance, Choice steer prices are expected to continue around late January

Table 3.--Selected prices per 100 pounds of cattle, by months, 1966-67

Month	Chicago				Kansas City			
	Choice steers		Utility cows		Good feeder steers 550-750 lb.		Choice feeder steer calves	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	26.87	1/25.30	15.83	1/16.94	24.01	1/23.32	28.19	1/29.67
February	27.79		17.72		25.40		30.96	
March	29.22		19.51		26.57		32.45	
April	27.98		19.70		26.26		31.27	
May	26.75		19.54		26.39		31.80	
June	25.49		18.83		25.37		30.90	
July	25.41		17.86		23.91		29.02	
August	25.85		18.37		24.78		29.81	
September	26.11		18.46		24.88		30.21	
October	25.50		17.52		23.74		30.09	
November	24.94		16.53		23.55		29.71	
December	24.50		16.40		23.06		29.31	
Average	26.29		18.02		24.83		30.31	

1/ January is a 3-week average.



levels this winter and average $2 to $3 below the year-earlier average of $27.96 per 100 pounds.

Fed cattle marketings are expected to continue large well into the spring months. How large will depend on the volume of marketings and the level and weight of feedlot placements this winter. Last year, placements during January-March totaled 4.8 million head--up 23 percent from a year earlier. Although placements are likely to continue large this year, it is not likely they will exceed year-earlier levels. However, if current marketing intentions materialize, the April 1 carryover of cattle on feed on January 1 will be up about 5 percent from a year earlier. Thus, marketings are expected to continue large in the spring. But the increase over a year earlier likely will narrow.

If cattle feeders hold feedlot placements this winter at or below year-earlier levels, fed cattle prices are expected to strengthen in the spring as marketings approach year-earlier levels. If this occurs, fed cattle prices next spring may average $1 or more above winter levels and about the same as a year earlier.

Stronger West Coast Prices

In the past 3 years there was little difference in average price quotations of fed cattle on the West Coast and in the Midwest. (West Coast prices include a pencil shrink of around 5 percent in most instances.) From 1964 through 1966, Choice slaughter steers at Chicago weighing 900-1100 pounds averaged about $25 per 100 pounds. Direct trade cattle of the same grade and weight in the Visalia, California market area averaged near $24.90 during the same period.

Comparisons of steer prices in the 2 markets show substantial seasonal variation during the 3-year period. Monthly prices in the Visalia market area ranged from more than $2 above Chicago in mid-1964 to more than $2 below Chicago in late 1965.

Steer prices in Visalia were highest relative to Chicago in mid-summer and lowest in the fall. These changes in cattle prices generally followed changes in the local fed cattle supply. When fed cattle marketings increased in California and Arizona, the major source of West Coast supplies, Choice steer prices generally declined compared with Chicago. Likewise, when marketings in the 2 West Coast States declined the California price rose relative to Chicago.

A sharp change in the relative prices between Chicago and Visalia occurred late in 1966. During October and November, Choice steers at Visalia averaged about $.80 below Chicago prices. However, in December feeders in California and Arizona reduced marketings from year-earlier levels by 18 percent, while marketings in the Corn Belt continued above a year earlier. As a result, Choice steer prices at Visalia rose to $25.48 in December--up $1.56 from a month earlier, and $1 above the December Chicago average of $24.50 per 100 pounds.

West Coast prices likely will continue stronger than Corn Belt prices during the next several months. Arizona and California feeders plan to market only 2 percent more cattle during January-March than a year earlier. This compares to an expected increase of 9 percent in the North Central States. Consequently, more fed beef from the swing States, such as Colorado, likely will move West through the winter and spring.

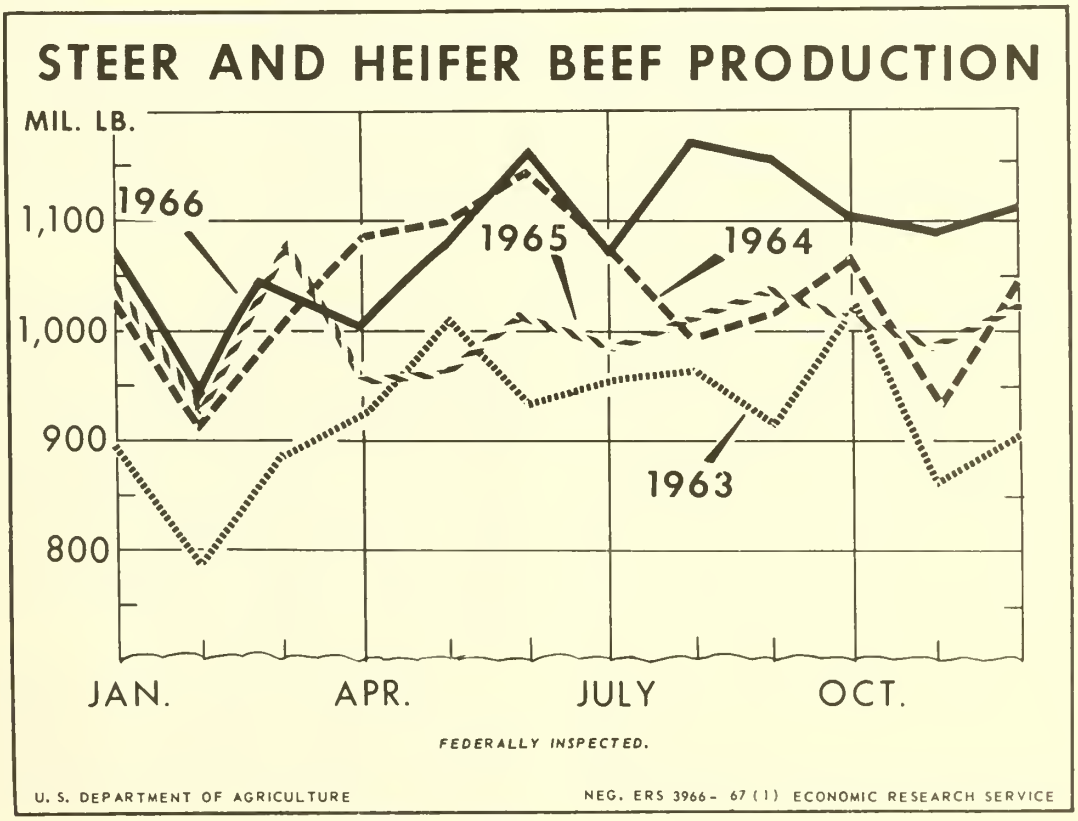
Feeder Cattle Supply Down

There will be fewer cattle available for feedlot replacement this year than last. The smaller 1966 calf crop, combined with the heavy rate of steer and heifer slaughter last year and the early movement of feeder cattle into feedlots in late 1966 will reduce the supply of young cattle for feeding in 1967. If cow-calf operators begin to hold back heifers to rebuild breeding herds in 1967 as now expected, the supply of cattle available for feeding will be reduced even more.

Feeder cattle placements during October-December 1966 were 5 percent larger

Table 4.--Steer and heifer beef production under Federal inspection, United States, by month, 1965-67

Month	Steer beef production			Heifer beef production		
	1965	1966	1967	1965	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
January	788	764		246	305	
February	704	666		221	272	
March	804	737		269	307	
April	713	714		244	290	
May	732	775		237	306	
June	761	841		250	324	
July	727	757		254	312	
August	714	814		298	359	
September	697	789		334	363	
October	677	754		338	352	
November	673	756		313	334	
December	721	782		296	334	



than a year earlier. But on January 1, 1967, there were 1 percent fewer light weight cattle on feed (under 700 pounds) and 11 percent more weighing 700-900 pounds. This suggests that an early movement of yearling feeder cattle into feedlots tock place last fall. Dry range conditions in some areas and limited availability of wheat pasture were probably largely responsible for this early movement. In view of the sharp cut back in calf slaughter in 1966, the supply of yearlings is likely to be down more than younger animals, even though the calf crop was down 877,000 head last year.

Feeder cattle prices rose with the fed cattle market in January and averaged slightly above a year earlier during the month. Feeder prices are expected to continue near recent levels and not develop significant strength until fed cattle prices respond to reduced supplies later in the year. Feeder cattle prices likely will generally move with the fed cattle market this year remaining above it most of the time.

The sharp rise in feeder cattle prices early in 1966 and the subsequent decline of the fed cattle market resulted in fed cattle selling below their price as feeders since last summer. The negative price margins were widest in late summer and fall. In January, 900-1100 pound Choice steers at Chicago were selling around $2 per 100 pounds below 550-750 pound feeder steers at Kansas City 4-6 months earlier.

Negative price margins will likely narrow in the spring and by mid-year cattle feeder's profit margins likely will be improved from current levels. The bulk of fed cattle marketed at that time will be from a lower feeder cattle market than is currently the case.

Number Of Cattle Feeders Decline

The number of cattle feeders in 32 states declined 2 percent in 1966 to 217,028. The number of cattle feeders having lots with a capacity of 1000 head or over on January 1 increased 4 percent, while the number of feeders having lots with a capacity of under 1000 head decreased 4 percent in 11 Western States, and South Dakota, Nebraska, Kansas, Oklahoma, and Texas. The total number of cattle in the larger lots increased 441 thousand head (13 percent), while the number of cattle in the smaller lots increased 62 thousand head (3 percent). On January 1, 1967, 2.8 percent of the cattle feeders (with lot capacities of 1000 head and over) in 16 states held 67 percent of the cattle on feed.

Cow Slaughter Down; Prices Strong

Cow slaughter dropped below year-earlier levels in June 1966 and continued well below through the end of the year. During October-December, federally inspected cow slaughter averaged 21 percent below the same period in 1965. With an improving outlook for feeder cattle resulting from smaller supplies and strong demand for both feeder and replacement stock, cow slaughter this year is expected to be well below 1966 levels.

In January, cow prices continued strong and Utility cows at Omaha averaged $16.75 per 100 pounds. With substantially reduced supplies, cow prices are expected to continue strong and average around year-earlier levels throughout the year. However, increased beef imports and larger pork supplies will tend to temper the strength in cow prices.

Western Range Conditions

In general, range feed conditions declined seasonally during December but weather conditions were favorable for winter range use. Most stockmen fed some supplemental feed in December. A large portion of the Western Range was free of snow cover throughout most of the month with livestock in generally good flesh. Although hay stocks were 4 percent below a year earlier on January 1, feed supplies are reported adequate for normal winter needs in most areas.

Prospects for spring grazing were materially improved in the Intermountain Region of Idaho, Nevada and the Pacific Coast as a result of snow and rain received in December. However, most of the Plains States continued dry.

HOGS

Hog slaughter, including farm, totaled around 75.4 million head during 1966--down about 2 percent from 1965. However, the slaughter pattern varied widely during the year. In January and February, federally inspected slaughter averaged 17 percent below a year earlier and for the first 6 months of 1966 was 9 percent below the same period of 1965. About mid-year, hog slaughter approached year-earlier levels when pigs from the 8 percent larger December 1965-May 1966 pig crop began to reach market weights. Second half slaughter averaged around 10 percent above 1965, with December slaughter up 24 percent.

Hog prices increased sharply during 1965 and showed a further substantial rise in 1966. Last year, barrows and gilts at 8 markets averaged $23.49 per 100 pounds--up $2.17 or 10 percent from the 1965 average price; this was the highest annual average price since 1948. Hog prices, however varied considerably during the year, reflecting the changing slaughter situation. In January-February 1966 barrows and gilts at 8 markets averaged about $28 per 100 pounds. Prices then declined to $21.50 in late April before rising to over $26 in mid-August. As slaughter supplies increased in late summer, prices declined and in December averaged $19.67. Hog prices held about steady in January.

Hog marketings in 1967 will be larger and prices likely will average lower than in 1966. Although feed prices will be up from a year earlier through most of the year, returns to hog producers probably will continue relatively favorable during 1967.

June-November Pig Crop Up 9 Percent

Hog producers reported in the December 1 Pig Crop Survey a total of 39.8 million pigs saved during June-November 1966. This was 9 percent more than a year earlier, but slightly less (around 100,000 head) than the 1964 fall crop and 8 percent below the 1963 fall crop of 43.3 million head.

The increase in the June-November 1966 pig crop resulted from increases in farrowings in all regions. However, the largest increases occurred in regions outside the Corn Belt, as was the case with the spring crop. The South Central and South Atlantic States were up 17 and 11 percent, while the Western and North Atlantic Regions were up 15 and 10 percent. The North Central States were up 8 percent, with the largest increase occurring in the western half. The North Central States, because of the smaller increase in production, accounted for 78 percent of the June-November pig crop in 1966, compared with 79 percent in 1965 and 81 percent in 1964.

With increases in the December 1965-May 1966 and the June-November 1966 pig crops of 8 and 9 percent, the annual pig crop for the December 1965-November 1966 period totaled 85.5 million head. This was 8 percent more than the 1965 total of 78.9 million head, but 2 percent below the 1964 total of 87.5 million head and 30 percent below the record total of 121.8 million head in 1943.

Increased Slaughter In First Half Of 1967

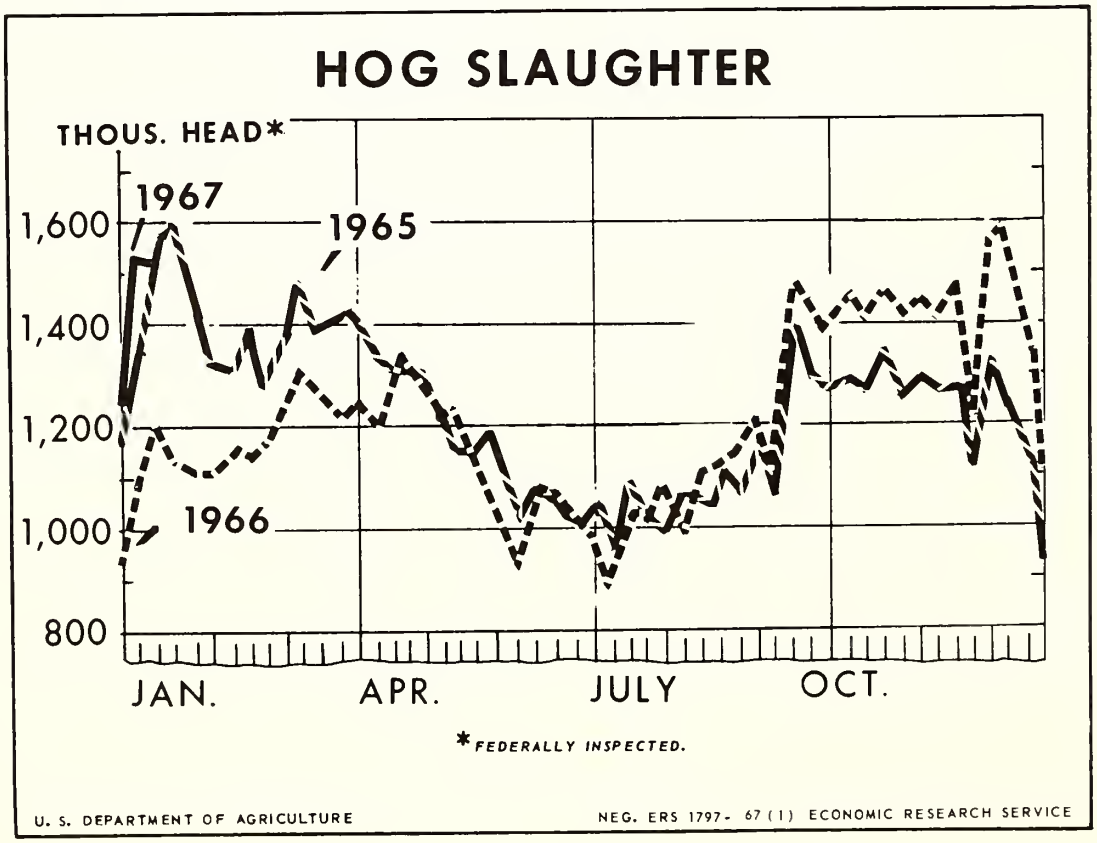
Hog slaughter this winter and spring will continue well above 1966 levels. The June-November 1966 pig crop, which will supply the bulk of slaughter supplies during the first half of 1967, was 9 percent larger than a year earlier. Furthermore, the number of hogs on farms December 1 (other than for breeding purposes) totaled 46.5 million head, up 10 percent from a year earlier. Hogs weighing 120-179 pounds, which likely will be marketed by the end of March were up 10 percent. Those weighing less than 120 pounds on December 1 which will furnish the main part of spring slaughter supplies, were up 9 percent. Thus, hog slaughter during the first half of this year likely will average around 10 percent above year-earlier levels.

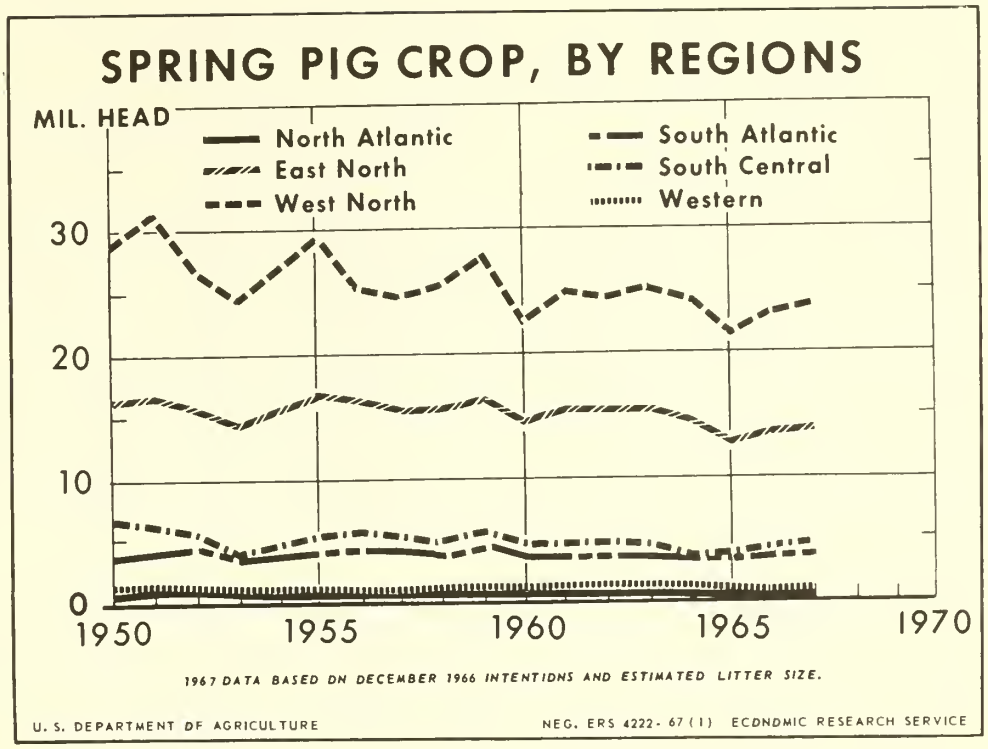
Barrows and gilts at 8 markets averaged $19.46 per 100 pounds during the first 3 weeks of January. This was $8.47 below the record level of $27.93 a year

Table 5.--Selected prices per 100 pounds of livestock, by months, 1966-67

Month	Barrows and gilts at 8 markets 1/		Sows at 8 markets 1/		Choice lambs at Denver		Choice feeder lambs at S. St. Paul	
	1966	1967	1966	1967	1966	1967	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	27.93	2/ 19.46	23.84	2/ 15.43	27.72	3/	27.24	2/ 22.93
February	27.80		25.09		27.62		28.27	
March	24.41		21.80		25.42		26.27	
April	22.26		18.87		26.86		24.39	
May	23.16		18.35		26.00		23.00	
June	24.72		19.16		25.11		21.20	
July	25.09		19.40		23.75		21.58	
August	25.75		21.45		23.85		21.81	
September	23.16		20.91		23.89		22.54	
October	21.57		19.40		23.81		22.35	
November	19.87		16.86		23.02		21.58	
December	19.67		15.08		22.60		22.75	
Average	23.49		19.77		24.97		23.58	

1/ Average for all weights at Midwest markets. 2/ January is a 3-week average. 3/ No prices quoted.




SPRING PIG CROP, BY REGIONS
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1967 DATA BASED ON DECEMBER 1966 INTENTIONS AND ESTIMATED LITTER SIZE.
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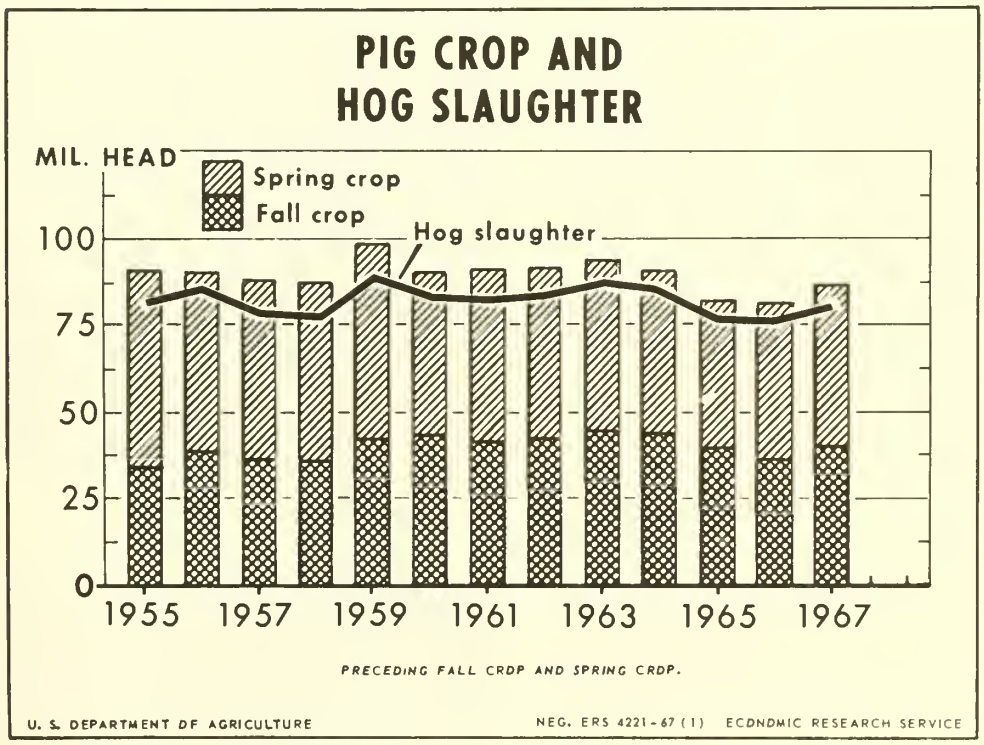
NEG. ERS 4222-67 (1) ECONOMIC RESEARCH SERVICE


PIG CROP AND
HOG SLAUGHTER
MIL. HEAD
Spring crop
Fall crop
Hog slaughter
100
75
50
25
0
1955
1957
1959
1961
1963
1965
1967
PRECEDING FALL CROP AND SPRING CROP.
U. S. DEPARTMENT OF AGRICULTURE
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earlier, but except for 1966, was the highest January price since 1954. Although hog prices through the rest of the winter and next spring will average substantially below the high level of a year earlier, prices likely will continue favorable to producers. On balance, prices of barrows and gilts at 8 markets during January-March likely will average 20 to 25 percent below the year earlier average of $26.71. After dipping in late winter or early spring, prices next spring are expected to strengthen from the winter lows, and average only moderately below the April-June 1966 average of $23.38.

December 1966-May 1967 Farrowing Intentions Up 3 Percent

Hog producers are continuing the expansion in production that began in late 1965, but the rate of increase has slowed substantially. Producers reported intentions on December 1 to have 6.4 million sows farrow during December 1966-May 1967. If these intentions materialize, the pig crop this spring will total around 47.2 million head. This would be 3 percent larger than a year earlier, but 1 percent below 1964 and 7 percent below 1963.

Even though hog producers stated intentions to increase farrowings 3 percent during December 1966-May 1967, most of the increase, based on producers' intentions in the 10 Corn Belt States, will occur during the first half of the spring farrowing season. Producers in these States planned to have 1.7 million sows farrow during December-February--6 percent more than a year earlier. However, they plan to have 3.3 million sows farrow during March-May--the same as a year earlier. In 1966, these States accounted for 79 percent of the spring pig crop.

Although all regions planned increases in December-May farrowings, there were considerable differences between regions. Substantial increases are indicated for the South Central and South Atlantic regions, where producers planned to increase farrowings by 10 and 7 percent. However, producers in the East and West North Central Regions, the principal hog producing regions, planned increases of only 2 and 1 percent.

Increase In Summer And Fall Slaughter Supplies To Moderate

The continued expansion in farrowings during the December 1966-May 1967 period indicates that hog slaughter will continue above 1966 levels through the second half of the year. However, the increase in slaughter supplies, as compared to a year earlier, will narrow during the period. Slaughter in the summer is likely to average 5 to 7 percent above a year earlier. Later in the year, slaughter supplies are likely to average only slightly above 1966 levels.

This past summer, prices of barrows and gilts at 8 markets rose to $26.42 in mid-August. Prices then declined to $19.52 in December--the low for the year. This year, with a 6 percent increase expected in December 1966-February 1967 farrowings, hog prices during the summer are likely to average moderately below the July-September 1966 average of $24.67.

If March-May farrowing intentions are carried out, slaughter supplies next fall will be up only slightly. Thus, hog prices next fall are expected to continue strong and may not differ greatly from those last fall--$20.37 per 100 pounds at 8 markets. Although there has been sufficient time for producers to increase March-May farrowings as compared to their intentions on December 1, it is not likely that any increase would be large enough to lower prices much below last fall's level. Furthermore, smaller beef supplies next summer and fall, will be a strengthening factor.

Production Expansion Slowing

Considering the current outlook for hogs through the rest of the year, hog producers are likely to continue expanding production next fall and in the spring of 1968 even though the expansion in production appears to be slowing. The build up in production began a little

Table 6.--Number of sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, by regions, 1963 to date

DECEMBER-MAY

Year	North Atlantic	North Central		South Atlantic	South Central	Western	United States 1/
		East	West				
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Sows farrowing:							
1963	96	2,194	3,522	503	654	125	7,099
1964	80	2,046	3,341	449	561	114	6,596
1965	70	1,756	3,013	426	520	99	5,890
1966	77	1,829	3,191	471	570	105	6,249
1967 2/	80	1,857	3,238	502	629	108	6,420
Pigs saved:							
1963	663	15,634	25,439	3,564	4,515	898	50,749
1964	552	14,747	24,351	3,241	3,942	809	47,682
1965	501	12,734	21,777	3,096	3,652	722	42,525
1966	545	13,489	23,447	3,436	4,027	785	45,771
1967							3/ 47,200
Pigs saved per litter:	Number	Number	Number	Number	Number	Number	Number
1963	6.90	7.13	7.22	7.09	6.90	7.17	7.15
1964	6.85	7.21	7.29	7.22	7.03	7.12	7.23
1965	7.16	7.25	7.23	7.26	7.02	7.31	7.22
1966	7.05	7.38	7.35	7.29	7.06	7.52	7.32
1967							2/ 7.35

JUNE-NOVEMBER

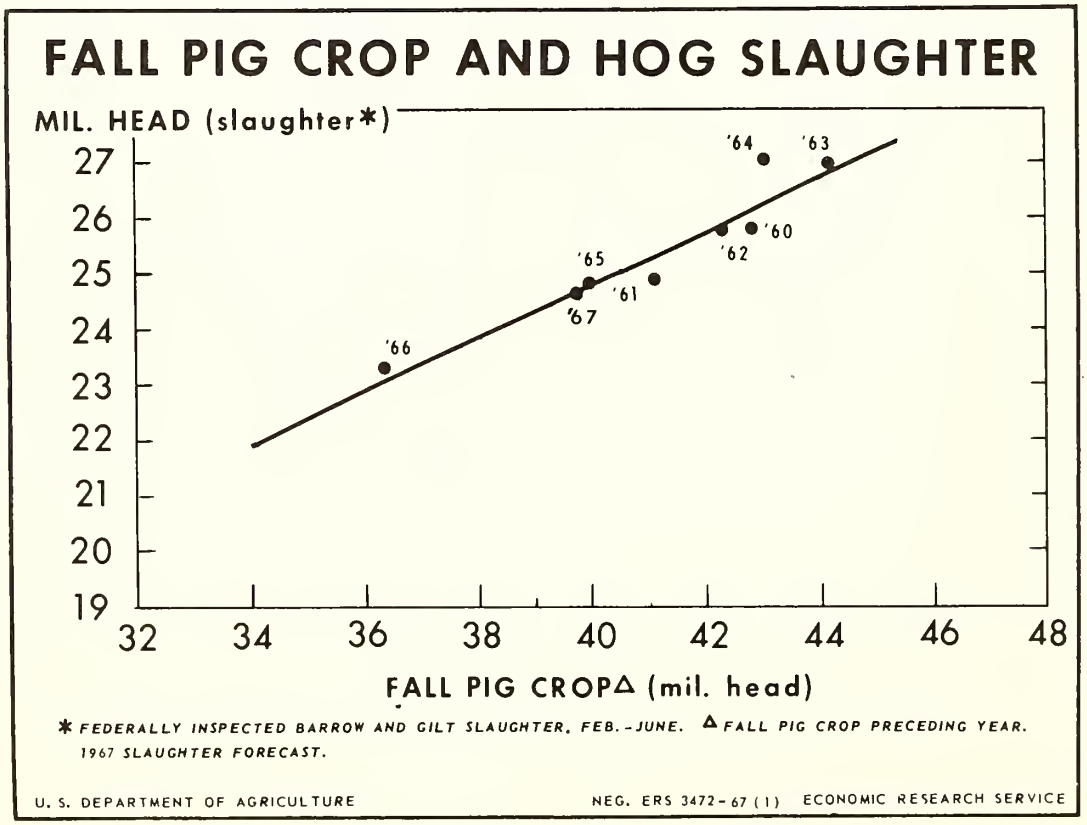
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Sows farrowing:							
1963	83	2,051	2,709	431	585	123	5,987
1964	73	1,858	2,588	389	509	102	5,525
1965	67	1,624	2,341	378	492	97	5,006
1966	72	1,725	2,572	422	580	110	5,487
Pigs saved:							
1963	591	14,954	19,565	3,094	4,192	877	43,307
1964	528	13,473	18,643	2,785	3,632	758	39,862
1965	484	11,856	17,004	2,761	3,543	735	36,415
1966	533	12,529	18,597	3,075	4,147	837	39,755
Pigs saved per litter:	Number	Number	Number	Number	Number	Number	Number
1963	7.15	7.29	7.22	7.18	7.17	7.12	7.23
1964	7.21	7.25	7.20	7.20	7.14	7.31	7.21
1965	7.27	7.30	7.26	7.30	7.20	7.43	7.27
1966	7.43	7.26	7.23	7.28	7.15	7.57	7.25

1/ 50-State total. 2/ Preliminary. 3/ Number indicated to farrow from intentions as of December 1, 1966. Average number of pigs per litter with allowance for trend used to calculate indicated number of pigs saved.

Table 7.--Hog prices, corn prices, and hog-corn price ratio, by months, 1965 to date

Month	Hog price 1/			Corn price 1/			Hog-corn price ratio 2/		
	1965	1966	1967	1965	1966	1967	1965	1966	1967
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.			
Jan.	15.50	27.30	18.90	1.15	1.49	1.28	13.4	22.9	14.8
Feb.	16.40	27.20		1.17	1.15		14.0	23.7	
Mar.	16.40	24.00		1.18	1.12		13.9	21.4	
Apr.	16.90	22.10		1.21	1.16		14.0	19.1	
May	19.70	22.30		1.23	1.19		16.0	18.7	
June	22.40	23.00		1.24	1.19		18.1	19.3	
July	23.20	23.00		1.22	1.27		19.0	18.1	
Aug.	23.70	24.50		1.18	1.34		20.1	18.3	
Sept.	22.10	22.10		1.18	1.35		18.7	16.4	
Oct.	22.90	21.20		1.06	1.29		21.6	16.4	
Nov.	23.50	19.20		.98	1.26		24.0	15.2	
Dec.	26.90	18.80		1.08	1.29		25.0	14.6	
Year 3/	20.60	22.89		1.16	1.23		18.2	18.8	

1/ Average price received by farmers, hogs, dollars per 100 pounds for corn dollars per bushel. 2/ Bushels of corn equivalent in value to 100 pounds of hog, live weight. 3/ Simple average for 1966.



over a year ago--November 1965. Hog producers began cutting back production in 1964 in response to low prices in 1963 and 1964. As a result of the smaller slaughter supplies, prices strengthened in the spring of 1965 and by late 1965 and early 1966 were at record highs. Favorable returns to the hog enterprise influenced producers to start expanding production late in 1965. Compared to a year earlier, farrowings during December 1965-May 1966 were up 6 percent and June-November 1966 farrowings rose 10 percent. However, producers have slowed the rate of increase and farrowings during December 1966-May 1967 are expected to be up only 3 percent, with all of the increase coming during December-February.

Several factors probably have contributed to the more moderate production expansion during the current upswing than in past periods of expanding hog production. There has been a sharp decline in the number of farms raising hogs--down 54 precent from 1954 to 1964 (see article beginning on page 23). Accompanying the decline in the number of farms raising hogs has been an increasing specialization in the production of hogs. Specialized hog producers have substantially less flexibility in terms of facilities to expand production sharply in the short run.

The apparent slowdown in the rate of expansion this spring probably is a result of declining returns for hogs. During the latter part of 1966, hog prices declined and feed grain prices increased. As a result, the hog-corn price ratio declined from an average of over 18 during the late spring and early summer to less than 15 in December. This contrasts with a ratio of 24.2 during December 1965-February 1966 when producers were making decisions to expand late spring and early fall farrowings. Strength in feed grain prices and declining hog prices probably influenced some producers to sell or hold their grain rather than convert it into increased pork supplies to be marketed later this year.

In view of prospective market conditions it does not appear likely that the production expansion will be terminated this spring. Although hog prices will average below year-earlier levels during the first half of the year, they are expected to strengthen into the summer. Feed grain prices likely will increase seasonally during the next several months, but the relative increase is likely to be less than for hogs. Consequently, the hog-corn price ratio during the next several months is expected to increase relative to the December 1966-January 1967 average of 14.7. Furthermore, in view of prospective plantings of feed grains, given average weather conditions, production may be appreciably larger than last year. Consequently feed grain prices next summer and fall may average below current and year-earlier levels. Thus, returns to the hog enterprise next fall, as measured by the hog-corn price ratio, are likely to average above the fall months of 1966--a stimulus to continue the expansion that began 16 months ago.

The demand for pork has been declining in the postwar period. However, with prospects for smaller beef supplies and continued strong demand for red meats, it may be possible for pork producers to regain a larger share of the consumer's dollar. Thus for the next 2 to 3 years as cattle numbers are built up and slaughter is reduced, it is likely a moderate expansion in hog production of 2 to 3 percent per year could be utilized without causing undue downward pressure on hog prices.

SHEEP AND LAMBS

Lamb producers likely will send fewer lambs to slaughter in the first half of 1967 than they did a year earlier. Slaughter in January-March may be close to year-earlier levels, but slaughter in the spring is likely to be somewhat smaller. Prices of lambs this winter probably will average lower than in January-March 1966 (when Choice lambs at Denver rose to about $27 per 100 pounds), but somewhat above prices at the first of this year. By spring, slaughter lambs may top the $26 per 100 pound average during April-June 1966.

Seasonal movement of lamb prices was contrary to the usual situation last year; prices were higher in the winter than during the spring months. Lamb prices drifted lower in the second half of 1966. Feeder lambs followed a price pattern similar to slaughter lambs but the fall decline was a little sharper. Price movements likely will return to a more normal seasonal pattern this year.

Lambs on Feed Down 6 Percent

The number of sheep and lambs on feed January 1 declined 6 percent from a year earlier to a total of 3.1 million head. This was a smaller number than in any other recent year. Numbers were down 11 percent in the North Central States, while Western State feeders had 7 percent fewer.

During the rest of this winter, lamb slaughter likely will average about the same or slightly smaller than a year ago. The number of lambs on feed weigh- over 80 pounds on January 1, 1967, was down 10 percent, but most of this decline was in lambs weighing more than 100 pounds. The bulk of these lambs has already gone to slaughter. Lambs weighing 80 to 100 pounds were down only 3 percent. In addition, marketings out of feedlots were slowed somewhat in early 1966. Last year, this shifted some winter marketings to spring. Therefore, even with a smaller number of lambs on feed this year, winter marketings of fed lambs are expected to total about the same as in 1966. However, any lengthening of lamb feeding programs again this year would reduce winter marketings and increase spring marketings and slaughter weights of fed lambs.

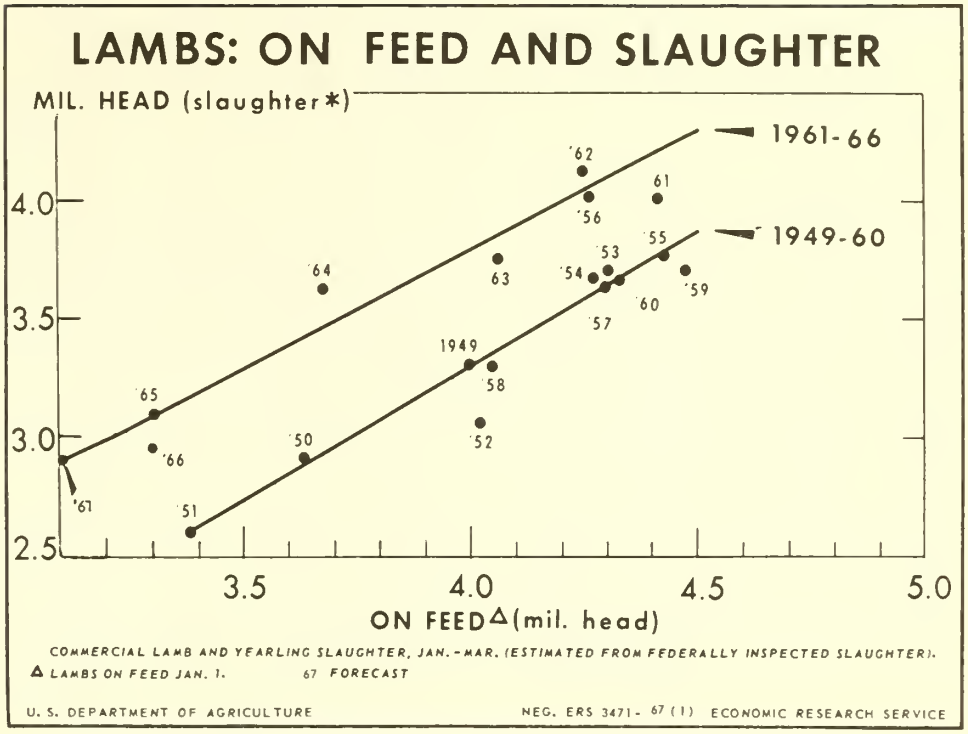
Spring slaughter supplies, although influenced by the number of lambs on feed and winter marketings, include a larger proportion of new crop lambs. The early lamb crop likely will be down a little again this year. There may also be some withholding of ewe lambs, especially if range conditions improve in the major lamb producing areas. But withholding is not expected to be a major factor in the supply picture next spring because no shift in sheepmen's thinking about future price prospects is apparent. Although it is also unlikely that foundation herds will be rebuilt to any great extent, liquidation may be halted this year. This means that lamb slaughter next spring likely will be somewhat smaller than in April-June 1966.

Lamb Prices To Increase Through Spring

Slaughter lamb prices in late-December were averaging about $22.25 per 100 pounds at Denver--about $4 below a year earlier. However, in contrast to the situation in 1966, fed lamb prices likely will rise through the rest of winter and into spring. Slaughter supplies are expected to be smaller toward spring and strengthening beef prices likely will lend some support to lamb. Pork and poultry production will be larger which will tend to temper any strong price rise.

Last year, Choice slaughter lambs at Denver averaged $27 in January-March and $26 in April-June. Lamb prices are expected to rise in the spring months this year and average considerably above current prices. Spring prices may average above year-earlier levels if lamb feeders don't hold lambs in feedlots for additional price advances, thus overlapping fed lamb marketings with spring lamb movement.

Choice feeder lambs at South St. Paul in mid-January averaged about $23.00


LAMBS: ON FEED AND SLAUGHTER
MIL. HEAD (slaughter*)
1961-66
1949-60
4.0
3.5
3.0
2.5
3.5
4.0
4.5
5.0
ON FEED△(mil. head)
'62
61
'56
'55
'53
'54
'59
'60
'57
'64
63
1949
'58
'52
'65
'66
'50
'61
'51
COMMERCIAL LAMB AND YEARLING SLAUGHTER, JAN.-MAR. (ESTIMATED FROM FEDERALLY INSPECTED SLAUGHTER).
△ LAMBS ON FEED JAN. 1. 67 FORECAST
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 3471- 67 (1) ECONOMIC RESEARCH SERVICE

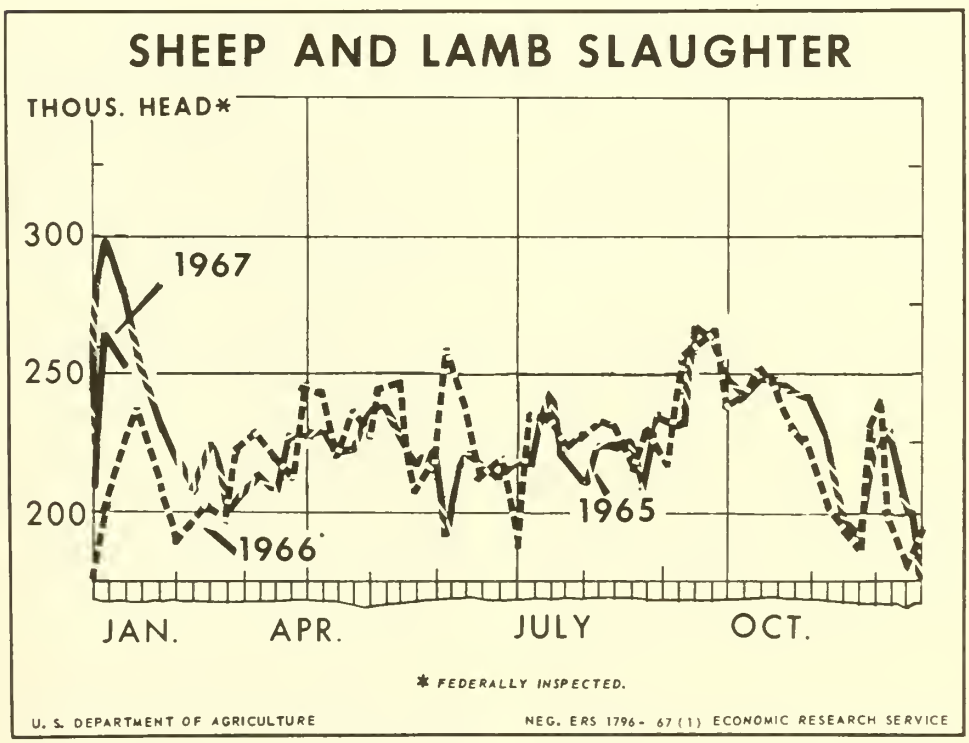

SHEEP AND LAMB SLAUGHTER
THOUS. HEAD*
300
250
200
1967
1966
1965
JAN.
APR.
JULY
OCT.
* FEDERALLY INSPECTED.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 1796- 67 (1) ECONOMIC RESEARCH SERVICE

Table 8.--Wholesale price of Choice lamb at Chicago, Carlot basis, by months 1965 to date 1/

Month	1965			1966			1967		
	35-45 lb.	55-65 lb.	Difference	35-45 lb.	55-65 lb.	Difference	35-45 lb.	55-65 lb.	Difference
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	46.34	41.34	5.00	56.33	51.25	5.08	2/ 50.00	2/ 44.50	5.50
Feb.	48.91	44.90	4.01	56.81	49.44	7.37			
Mar.	50.46	47.41	3.05	53.70	45.31	8.39			
Apr.	51.59	47.98	3.61	51.17	42.50	8.67			
May	54.11	49.75	4.36	50.12	43.00	7.12			
June	53.19	52.22	.97	51.53	45.40	6.13			
July	48.97	49.00	-.03	46.97	45.47	1.50			
Aug.	48.42	48.42	0	47.31	47.31	0			
Sept.	47.00	47.00	0	48.00	48.00	0			
Oct.	46.96	46.20	.76	47.93	46.65	1.28			
Nov.	48.81	45.31	3.50	47.92	45.05	2.87			
Dec.	52.67	48.69	3.98	49.03	44.67	4.36			
Year	49.79	47.35	2.44	50.57	46.17	4.40			

1/ Beginning in 1966 Prime and Choice quoted together. 2/ January is a 3-week average.

per 100 pounds. This was about $.75 above feeder lamb prices last fall. Feeder lamb prices were under pressure last fall when wheat pasture failed to develop sufficiently to carry a large number of lambs, and range conditions deteriorated more than seasonally in some areas.

Heavy Weights Depress Prices

The average weight of slaughter lambs is important in determining prices. A year ago lamb producers delayed marketings in the fall and winter. By the time these lambs were slaughtered, they were extremely heavy. The average live weight of sheep and lambs slaughtered under Federal inspection rose to 107 pounds per head last February--a record high. Moreover, in June, slaughter lambs were still averaging 100 pounds, which was also a record for that month.

Sharp price discounts developed on heavyweight lambs and profits from lamb feeding diminished. For example, Choice and Prime lamb carcasses weighing from 55 to 65 pounds averaged $42.50 per 100 pounds at Chicago in April. This was $8.67 below carcasses weighing between 35 and 45 pounds at the same market. The price differential between lightweight and heavyweight carcasses averaged $3.61 per 100 pounds in April 1965. The differential in mid-January this year was $5.50 compared with $5.08 a year earlier.

Whether lamb feeders will feed to heavy weights again this year is an important factor which will influence lamb prices and returns to producers this winter and next spring. Weights probably will continue heavy, but perhaps not as heavy as a year earlier. Sharp price discounts on heavyweight lambs during the past year likely will encourage a more orderly movement in the first half of 1967.

Lambs slaughtered under Federal inspection averaged 105 pounds per head in December, 1 pound above the same month a year earlier. In addition, lamb producers have sent heavier lambs to slaughter

so far this year. If producers continue to hold lambs to extremely heavyweights, very little price improvement may develop. This is especially true this year because Easter is early, March 26. Many spring lambs likely will not be ready for slaughter until after Easter.

USDA MEAT PURCHASES

In 1966 the Department of Agriculture purchased a total of 109 million pounds (product weight) of meat and meat products for distribution to schools, needy families, institutions and other eligible outlets at a cost of $56 million. Purchases included $23 million for 40.5 million pounds of frozen ground beef and roasts for schools; 9.4 million pounds of canned beef with natural juices, at a cost of $5.6 million for schools; and 59.2 million pounds of canned chopped meat, costing $27.8 million, for distribution to needy families. Funds for these purchases were provided under Section 6 of the National School Lunch Act and Section 32, Public Law 320. All products were prepared from animals slaughtered and processed within the United States.

Various kinds and classes of meat animals were utilized in the preparation of products acquired by the Department. During the first several months of the year, meat purchases were limited to a canned chopped meat product manufactured from lower grade beef (U.S. Cutter grade or higher) and beef hearts and tongues. In October the specification for this product was changed to a basic pork formulation but permitted beef, lamb or mutton and hearts and tongues of cattle, hogs and sheep as optional ingredients.

Purchases of frozen ground beef, which began in September, were produced from U.S. Utility grade beef or higher. In October the frozen ground beef product was changed to frozen boneless roasts and ground beef produced from U.S. Choice and Prime grade cattle only. Canned beef with natural juices was processed from U.S. Utility grade beef or higher.

Purchases of frozen roasts and ground beef were terminated in January but buying of canned beef and chopped meat continued.

FOREIGN TRADE IN MEAT

Imports of red meat increased sharply during 1966 in response to higher domestic prices. Imports through November, totaled 1,584 million pounds (carcass weight equivalent)--up 30 percent from the same period a year earlier. Total red meat exports, on the other hand, totaled 90 million pounds--down 12 percent from 1965.

The largest increase in imports last year occured in beef and veal and mutton and goat. Beef and veal imports during January-November totaled 1,100 million pounds (carcass weight) up 29 percent from a year earlier. Mutton and goat imports totaled 114 million pounds, more than double year-earlier levels. The increase in imports of these meats occurred as a result of smaller domestic supplies and higher prices for processing meats. Imports of pork and lamb also increased as domestic supplies continued smaller. Lamb imports through November 1966 were up 24 percent and pork imports were up 19 percent.

Although exports of pork, lamb and mutton were up 3 and 19 percent, respectively, total red meat exports declined by 12 percent during the first 11 months of 1966. This was due to a decline in beef and veal exports, which were down 28 percent from a year earlier.

1967 Meat Imports

Meat imports in 1967 are expected to be larger than in 1966. The Secretary of Agriculture announced on December 23 that imports of fresh, chilled or frozen cattle meat and meat of goats and sheep other than lamb into the United States during 1967 were expected to

Table 9.--Meat subject to U. S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-66

Year	Jan.	Feb.	Mar.	Apr.	May	June	July
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1959-63 Average	47,342	49,596	57,539	54,254	48,514	58,564	67,110
1964	87,232	44,873	68,877	61,363	51,113	98,152	43,726
1965	28,181	34,498	68,654	32,404	52,329	42,062	58,512
1966	51,397	60,341	49,419	63,334	51,954	100,222	61,360

	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
1959-63 Average	84,131	76,055	61,599	56,106	61,396	722,206
1964	79,453	49,651	46,384	55,726	53,363	739,913
1965	59,917	62,208	64,411	57,281	53,747	614,204
1966	87,076	91,471	79,746	61,062		

total about 960 million pounds (product weight of meat items subject to import quota). This volume of imports would be larger than the quota level under Public Law 88-482 but below the quantity which would direct the President to proclaim meat import quotas.

Under this legislation, the base import quantity is 725.4 million pounds, product weight, approximately the average annual imports of these meats in 1959-63. According to the provisions of the legislation, this base quantity is adjusted in establishing the quota level for any year by the same percentage as the change in U.S. commercial production of these meats since the 1959-63 base period. For purposes of the legislation, the level of domestic production is defined as a 3-year average--an average of the estimated commercial production for the year in which the quota may be applied and the 2 preceding years.

Average domestic production of these meats during 1965-67 is estimated to be 24.7 percent above the 5-year average of the base period 1959-63. Therefore, if quotas were proclaimed for 1967, they would be 24.7 percent above the 725.4 million pounds base level, or 904.6 million pounds. However, the legislation specifies that estimated imports for the year must equal or exceed 110 percent of the adjusted base quota--or for 1967, 995.0 million pounds (product weight) before quotas can be proclaimed.

Imports of red meats not covered by the legislation (pork, lamb, and all canned and cured meats) are also likely to increase in 1967. However, with a further increase in domestic pork production during the year, imports of pork may be up only slightly from a year earlier. Lamb imports, on the other hand, will likely increase as domestic supplies are expected to be smaller.

REGIONAL SHIFTS IN LIVESTOCK PRODUCTION

by
John Larsen, ERS-ESA

In the past decade, the number of farms and ranches raising livestock has declined substantially, while the number of livestock, except sheep, has increased. Thus, the average number of animals per farm or ranch increased significantly.

Three significant areas of change in the livestock industry are: (1) the decline in the number of farms and ranches producing livestock; (2) a general increase in livestock production; and (3) shifts in the geographic distribution of the livestock population.

All of these changes illustrate the dynamic nature of the livestock industry. The economic forces influencing the changes did not affect all sections of the country to the same extent or in the same manner. For example, while the national trend in the number of farms producing livestock was down, the degree of change varied substantially between regions and between species. Also, changes in the geographic distribution of the January 1 livestock inventory reflected increasing relative economic importance of the industry in some areas and decreasing importance in others.

The declining numbers of farms raising livestock reflects the trend of the past several years toward larger farms and fewer farmers. Expanding production units, together with a higher concentration of livestock per farm or ranch, as well as shifts in the geographic distribution of livestock, indicate a continuing effort to achieve a more efficient and balanced system of livestock production. Continued and intensifying economic pressures for increased production efficiency will probably lead to further adjustments in specialization and growth in the next decade similar to those of the period discussed. The realtive rate at which further changes occur will depend on economic considerations as well as technological development in animal and meat production.

CATTLE: Approximately 2.3 million U.S. farms and ranches reported cattle including dairy stock--in 1964, compared with about 3.7 million ten years earlier. 1/ This was a decline of 1.4 million or 37 percent. The bulk of the decline occurred during 1954-59 when 977,000 farms or ranches became part of larger units or were diverted to other farm or non-farming usage. In the following 5 years, 390,000 units were absorbed or diverted. Regional declines ranged from 28 percent in the West North Central Region to 51 percent in the South Atlantic States.

A decline of 2.5 percent (2.4 million head) in the number of cattle on farms January 1, 1954, to January 1, 1959, was followed by a 14 percent increase (13.2 million head) by January 1, 1964. Over the 10 year period, cattle numbers increased from 95.7 million head to 106.5 million--an increase of about 11 percent or 10.8 million head. Regional changes in the cattle inventory did not follow the national trend in all areas. For example, cattle numbers during 1954-59, increased 2 percent in the West North Central and Western Regions in contrast to declines in all other areas. In the 1959-64 period, gains ranged from 4 percent in the East North Central to 19 percent in the West North Central and South Central Regions. Cattle numbers declined only in the North Atlantic Region during this latter 5 year period.

In the 10 year period, 1954-64, gains in cattle population in three major geographic regions more than offset losses in the other areas. For example, about half of the 11 million head increase in the Nation's January 1 cattle inventory from 1954-64 occurred in the West North Central Region and about 25 percent in both the South Central and Western Regions. The total decline in cattle numbers in the North Atlantic, East North Central and South Atlantic Regions was 1.3 million head.

1/ Data from U.S. Bureau of Census

Due to regional differences in the rate and direction of change in cattle numbers, shifts in the regional distribution of the cattle population also occurred. The West North Central, South Central, and Western Regions increased their proportion of the total cattle inventory, while other major areas declined. The largest gain was in the West North Central Region, which held 29 percent of the Nation's cattle herd in 1954. By January 1, 1964, almost 32 percent of the cattle population was centered in this 7 State area. The Western States' proportion rose from about 17 percent to 18 percent and the South Central areas' proportion rose less than 1 percent.

The average number of cattle per farm rose from 26 head in 1954 to 47 head 10 years later--an increase of 78 percent. The average number per farm or ranch differed substantially among regions, ranging from a low of 26 head in the South Atlantic States to a high of 101 in the Western States in 1964. These two regions held the same relative position in 1954. Although the South Atlantic Region had the largest percentage gain in average herd size--94 percent--the average Western herd expanded by 44 head or the largest absolute gain in any region.

HOGS: Less than half the number of farms reported hogs in 1964 than 10 years earlier. In 1954 there were 2.4 million farms raising hogs while in 1959, 1.8 million had hogs. By 1964, the number of farms reporting hogs had declined to 1.1 million--a decline of 54 percent during the 10 year period. About 60 percent of the decline occurred in the 1959-64 period. Regional changes in the number of farms reporting hogs ranged from a 64 percent decline in the North Atlantic Region to a 38 percent drop in the West North Central Region.

The number of hogs on farms rose from 45.1 million head on January 1, 1954, to 58.1 million head on the same date in 1959, but was about the same on January 1, 1964. However, it should be noted that 1954 was a cyclical low in hog numbers. Over the 10 year period there was an overall increase of 29 percent (12.9 million head) in the January 1 inventory. About 95 percent of the 12.9 million head increase in the hog population occurred in the East and West North Central Regions. Regional changes in the hog inventory over the 10 year period ranged from a decline of 20 percent in the North Atlantic Region to a 39 percent increase in the East North Central Region. The hog population increased in all areas, except the North Atlantic, although gains in other areas were substantially less than in the Corn Belt.

Regional shifts in the distribution of the hog population were largely into the East and West North Central Regions from other areas. For example, the proportion in the East and West North Central Regions rose from 30 and 44 percent, respectively, on January 1, 1954, to 32 and 47 percent on the same date in 1964. In 1954, the East and West North Central Areas held 74 percent of the total January 1 hog population, 5 years later 76 percent and by 1964 the proportion rose to 78 percent. Thus, the Corn Belt has become of increasing importance in the production of hogs during the 10 year period.

The average number of hogs per farm on January 1 nearly tripled over the 10 year period, rising from 19 head in 1954 to 54 head in 1964. There was substantial variation between regions, ranging from 21 head per farm in the South Central States to 87 head in the East North Central Area.

SHEEP: There were about 235,000 farms raising sheep and lambs in 1964 compared with 361,000 10 years earlier. This was a decline of 126,200 farms or 35 percent. Most of the decline occurred from 1959-64 when 107,100 farms or ranches were absorbed by larger operations or were diverted from sheep to other farm or non-farm usage. About 19,100 units were absorbed or diverted during the preceding 5 years.

The January 1 inventory of sheep and lambs on farms and ranches rose 4

percent during the 1954-59 period but declined by 14 percent in 1959-64. Over the entire period there was a decrease of 11 percent. All regions showed declines in sheep and lamb production over the 10 year period ranging from 27 percent in the South Atlantic Area to less than 1 percent in the West North Central States.

The number of sheep raised in the East North Central and South Central Regions generally declined throughout the 10 year period. In other regions, the sheep and lamb population rose from 1954-59 but then declined the next 5 years.

Some shifts occurred in the geographic distribution of the sheep and lamb population from 1954-64. More of the Nation's sheep and lambs are being raised in the West North Central and Western Regions than 10 years ago, with the Western Regions accounting for about 45 percent of the total in 1964.

Table 10.--Selected Data on Farms Reporting Livestock and Livestock on Farms, United States, 1954, 1959 and 1964

Region 1/	Farms Reporting 2/ 1954	Farms Reporting 2/ 1959	Farms Reporting 2/ 1964	Number on Farms Jan. 1 1954	Number on Farms Jan. 1 1959	Number on Farms Jan. 1 1964	Distribution of Livestock on Farms Jan. 1 1954	Distribution of Livestock on Farms Jan. 1 1959	Distribution of Livestock on Farms Jan. 1 1964	Average Number per Farm 1954	Average Number per Farm 1959	Average Number per Farm 1964
	1,000 Farms	1,000 Farms	1,000 Farms	1,000 Head	1,000 Head	1,000 Head	Percent	Percent	Percent	Head	Head	Head
					CATTLE							
N.A.	240.2	176.8	139.4	5,754	5,194	5,125	6.0	5.6	4.8	24	29	37
E.N.C.	633.2	480.0	394.3	14,824	13,987	14,548	15.5	15.0	13.6	23	29	37
W.N.C.	784.4	643.2	564.6	27,889	28,440	33,861	29.1	30.4	31.8	36	44	60
S.A.	562.5	348.7	277.2	7,556	6,875	7,208	7.9	7.4	6.8	13	20	26
S.C.	1,143.2	806.2	714.4	23,308	22,131	26,319	24.4	23.7	24.7	20	27	37
W.	287.2	217.2	192.3	16,348	16,695	19,454	17.1	17.9	18.3	57	77	101
U.S.	3,650.7	2,672.1	2,282.2	95,679	93,322	106,515	100.0	100.0	100.0	26	35	47
					HOGS							
N.A.	98.2	68.0	35.3	1,111	1,031	889	2.5	1.8	1.5	11	15	25
E.N.C.	393.6	329.6	211.5	13,326	17,696	18,490	29.5	30.5	31.8	34	54	87
W.N.C.	527.1	465.7	324.6	19,919	26,272	27,050	44.2	45.3	46.6	38	56	83
S.A.	542.0	374.8	205.2	4,476	5,160	4,564	9.9	8.9	7.9	8	14	22
S.C.	720.0	538.1	270.2	5,153	6,520	5,749	11.4	11.2	9.9	7	12	21
W.	84.8	70.8	33.5	1,129	1,366	1,318	2.5	2.3	2.3	13	19	39
U.S.	2,365.7	1,847.0	1,080.3	45,114	58,045	58,060	100.0	100.0	100.0	19	31	54
					SHEEP							
N.A.	21.2	18.3	12.4	508	519	441	1.6	1.6	1.6	24	28	36
E.N.C.	100.2	90.3	61.9	3,251	3,162	2,389	10.4	9.7	8.5	32	35	39
W.N.C.	106.7	109.8	79.7	6,247	7,557	6,236	19.9	23.2	22.3	59	69	78
S.A.	24.5	22.9	14.4	763	778	554	2.4	2.4	2.0	31	34	38
S.C.	56.6	51.4	31.2	6,942	6,795	5,884	22.2	20.8	21.0	123	132	189
W.	51.8	49.2	35.2	13,645	13,795	12,499	43.5	42.3	44.6	263	280	355
U.S.	361.0	341.9	234.8	31,356	32,606	28,003	100.0	100.0	100.0	87	95	119

1/ NORTH ATLANTIC REGION: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania; EAST NORTH CENTRAL REGION: Ohio, Indiana, Illinois, Michigan, and Wisconsin; WEST NORTH CENTRAL REGION: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas; SOUTH ATLANTIC REGION: Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida; SOUTH CENTRAL REGION: Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas; WESTERN REGION: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California.

2/ U.S. total excludes Alaska and Hawaii.

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Supply and distribution of meat, by months, July 1966 to date

Meat and period	Commercially produced							
	Supply				Distribution			
	Production 1/	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption: Total	Civilian consumption: Per person 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
Beef:								
July	1,556	212	90	6	220	40	1,592	8.2
August	1,733	220	129	7	216	60	1,799	9.3
September	1,713	216	134	7	231	55	1,770	9.2
3rd quarter	5,002	212	353	20	231	155	5,161	26.7
October	1,664	231	122	7	253	56	1,701	8.8
November	1,647	253	95	7	273	52	1,663	8.6
December	1,638	273			303	44		
4th quarter	4,949	231			303	152		
Year	19,460	260			303	638		
Veal:								
July	68	7	1	3/	7	3	66	.3
August	79	7	1	3/	7	4	76	.4
September	76	7	2	1	8	4	72	.4
3rd quarter	223	7	4	1	8	11	214	1.1
October	75	8	3	3/	8	4	74	.4
November	72	8	2	1	9	5	67	.3
December	64	9			11	4		
4th quarter	211	8			11	13		
Year	862	10			11	45		
Lamb and mutton:								
July	50	22	10	1	26	3/	55	.3
August	54	26	11	3/	22	3/	69	.4
September	58	22	9	1	21	1	66	.3
3rd quarter	162	22	30	2	21	1	190	1.0
October	56	21	8	3/	20	1	64	.3
November	50	20	7	1	18	1	57	.3
December	51	18			18	3/		
4th quarter	157	21			18	2		
Year	638	12			18	5		
Pork:								
July	747	214	28	9	179	14	787	4.1
August	879	179	23	12	140	29	900	4.7
September	990	140	28	11	151	22	974	5.0
3rd quarter	2,616	214	79	32	151	65	2,661	13.8
October	1,029	151	34	16	171	23	1,004	5.2
November	1,103	171	31	14	206	22	1,063	5.5
December	1,107	206			239	21		
4th quarter	3,239	151			239	66		
Year	11,135	152			239	255		
All meat:								
July	2,421	455	129	16	432	57	2,500	12.9
August	2,745	432	164	19	385	93	2,844	14.8
September	2,837	385	173	20	411	82	2,882	14.9
3rd quarter	8,003	455	466	55	411	232	8,226	42.6
October	2,824	411	167	23	452	84	2,843	14.7
November	2,872	452	135	23	506	80	2,850	14.7
December	2,860	506			571	69		
4th quarter	8,556	411			571	233		
Year	32,095	434			571	943		

1/ Includes custom slaughtering for farmers beginning in 1966. Data are not comparable with other years. 2/ Derived from estimates by months of population eating out of civilian food supplies. 3/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1965 Nov.	1965 Dec.	1966 Oct.	1966 Nov.	1966 Dec.
CATTLE AND CALVES:						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	27.74	27.66	26.30	25.51	24.90
Choice	do.	26.46	26.60	25.50	24.94	24.50
Good	do.	25.26	25.25	24.79	23.91	23.80
Standard	do.	23.24	23.16	23.20	22.55	22.57
Utility	do.	20.83	21.04	21.56	21.07	20.86
All grades	do.	26.33	26.41	25.48	24.93	24.49
Omaha, all grades	do.	24.60	24.83	24.47	23.70	23.38
Sioux City, all grades	do.	24.81	24.91	24.40	23.72	23.37
Cows, Chicago						
Commercial	do.	14.21	14.66	17.94	16.84	16.20
Utility	do.	13.88	14.37	17.52	16.53	16.40
Cutter	do.	12.87	13.39	16.66	15.81	15.82
Canner	do.	11.52	11.98	15.58	14.31	14.25
Vealers, Choice, S. St. Paul	do.	26.68	28.40	31.90	30.82	30.54
Stocker and feeder steers, Kansas City 1/	do.	23.02	24.12	24.79	24.18	24.28
Price received by farmers						
Beef cattle	do.	19.70	20.30	21.90	20.90	21.00
Cows	do.	12.90	13.40	16.30	15.40	15.40
Steers and heifers	do.	22.40	23.30	23.80	23.00	23.10
Calves	do.	22.40	23.10	25.70	25.20	25.30
HOGS:						
Barrows and gilts, U. S. No. 1, 2 & 3, Chicago						
200-220 pounds	do.	25.31	28.79	22.25	21.33	21.47
220-240 pounds	do.	25.02	28.50	22.13	20.98	21.08
240-270 pounds	do.	24.46	27.89	21.72	19.94	19.64
All weights	do.	24.89	28.44	21.97	20.59	20.20
Barrows and gilts, 8 markets 2/	do.	24.33	28.07	21.57	19.87	19.67
Sows, Chicago	do.	21.41	22.72	19.49	16.79	15.21
Price received by farmers	do.	23.50	26.90	21.20	19.20	18.80
Hog-corn price ratio 3/						
Chicago, barrows and gilts		21.9	23.4	16.0	15.7	14.2
Price received by farmers, all hogs		24.0	25.0	16.4	15.2	14.6
SHEEP AND LAMBS:	Dollars per					
Sheep	100 pounds					
Slaughter ewes, Good, Chicago	do.	7.12	8.82	7.50	7.50	7.50
Price received by farmers	do.	6.14	6.67	6.65	6.82	6.79
Lamb						
Slaughter, Choice, Chicago	do.	24.29	26.41	24.04	22.67	22.75
Feeder, Choice, S. St. Paul	do.	23.44	25.66	22.35	21.58	22.75
Price received by farmers	do.	22.40	24.20	22.30	21.60	21.60
All meat animals:						
Index number price received by farmers						
(1910-14=100)		332	357	343	323	322
MEAT:						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	42.08	42.68	41.78	41.21	41.66
Lamb carcass, Choice, 45-55 pounds	do.	49.59	53.43	50.48	50.00	50.49
Composite hog products						
Including lard						
71.90 pounds fresh	Dollars	25.63	28.46	22.50	21.76	21.55
Average per 100 pounds	do.	35.65	39.58	31.29	30.26	29.97
71.01 pounds fresh and cured	do.	29.83	33.18	27.79	26.52	27.07
Average per 100 pounds	do.	42.01	46.73	39.14	37.35	38.12
Excluding lard						
55.99 pounds fresh and cured	do.	26.99	30.27	24.89	23.63	24.34
Average per 100 pounds	do.	48.20	54.06	44.45	42.20	43.47
Retail, United States average	Cents					
Beef, Choice grade	per pound	82.5	82.9	84.6	83.2	84.0
Pork, retail cuts and sausage	do.	69.4	72.9	72.7	69.8	68.0
Lamb, Choice grade	do.	80.7	79.6	85.7	86.9	85.4
Index number meat prices (BLS)						
Wholesale (1957-59=100)		105.8	112.1	108.0	103.4	104.8
Retail (1957-59=100)		111.3	113.3	116.6	114.5	113.4

1/ Average all weights and grades
2/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1965 Nov.	1965 Dec.	1966 Oct.	1966 Nov.	1966 Dec.
Meat animal marketings						
Index number (1947-49=100)		140	121	151	140	127
Stocker and feeder shipments to 8 Corn Belt States						
Cattle and calves	1,000 head	1,403	710	1,424	1,325	705
Sheep and lambs	do.	187	161	337	126	111
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	2,334	2,314	2,335	2,285	2,257
Steers	do.	1,034	1,088	1,135	1,126	1,149
Heifers	do.	563	535	617	576	573
Cows	do.	700	655	546	551	506
Bulls and stags	do.	37	37	37	32	29
Calves	do.	470	433	389	384	366
Sheep and lambs	do.	943	910	1,022	896	905
Hogs	do.	5,503	5,010	6,047	6,200	6,215
Percentage sows	Percent	8	7	7	7	7
Average live weight per head						
Cattle	Pounds	1,016	1,036	1,026	1,043	1,058
Calves	do.	201	187	198	189	182
Sheep and lambs	do.	102	104	102	104	105
Hogs	do.	244	245	240	246	246
Average production						
Beef, per head	do.	572	586	597	603	614
Veal, per head	do.	112	104	109	105	100
Lamb and mutton, per head	do.	50	51	50	51	52
Pork, per head	do.	149	150	149	155	154
Pork, per 100 pounds live weight	do.	61	61	62	63	62
Lard, per head	do.	29	28	26	25	26
Lard, per 100 pounds live weight	do.	12	11	11	10	11
Total production	Million					
Beef	pounds	1,331	1,352	1,390	1,374	1,382
Veal	do.	52	45	42	40	37
Lamb and mutton	do.	47	46	51	45	46
Pork	do.	818	751	901	961	955
Lard	do.	158	139	157	163	165
Commercial slaughter 1/						
Number slaughtered	1,000					
Cattle	head	2,813	2,780	2,874	2,820	2,757
Calves	do.	673	626	583	575	536
Sheep and lambs	do.	1,049	1,007	1,133	993	990
Hogs	do.	6,334	5,814	6,942	7,173	7,259
Total production	Million					
Beef	pounds	1,570	1,585	1,664	1,647	1,638
Veal	do.	83	72	75	72	64
Lamb and mutton	do.	52	51	56	50	51
Pork	do.	935	863	1,029	1,103	1,107
Lard	do.	176	157	175	182	184
Cold storage stocks first of month						
Beef	do.	203	235	231	253	273
Veal	do.	8	9	8	8	9
Lamb and mutton	do.	12	12	21	20	18
Pork	do.	128	142	151	171	206
Total meat and meat products 2/	do.	411	453	457	509	565

1/ Beginning 1966 federally inspected and other commercial plants including custom slaughtering of animals for farmers. Data not comparable with other years.

2/ Includes stocks of canned meats in cooler in addition to the four meats listed.

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